



Belfast City Council

Report to:	Strategic Policy and Resources Committee
Subject:	Level of Rents Payable by Community and Other Organisations
Date:	24 April 2009
Reporting Officer:	Gerry Millar, Director of Improvement, Ext. 6217.
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Relevant Background Information

Section 96 of the Local Government Act (NI) 1972 obliges the Council to obtain the best value [rent, terms or price] it can in relation to disposals of property (this includes leasing). Normally if the Council wish to step outside this statutory obligation then it is required to obtain the approval of the Department of the Environment in each case.

Outside of the Council's investment / commercial properties at Duncrue, Balmoral, the Gasworks and Markets, the Council has a number of leases and licences across the city (mostly of small to medium sized sites rather than buildings) where the tenant is a charitable type organisation which uses the site or building for charitable purposes or one where use of the premises falls within the scope of the Council's statutory functions under the Recreation and Youth Services Order (NI) 1986.

Across the city there are approximately 30 premises depending upon definition which the Council leases to organisations where use of the premises likely falls within the above mentioned purposes (referred to below as Category 1) and a further nine premises where the occupiers use the premises for sports or other non-commercial activities (Category 2). Examples of Category 2 activities are St Teresa's GAC on the Glen Road; Ormeau Golf Club; CIYMS at Belmont Park and St John Vianney Youth Club on River Terrace.

The current levels of rent (rounded to nearest £500) payable under the leases are as follows:

3 Category 1 Leases (Shaftesbury, Grosvenor and Ballymacarrett Recreation Centres) - £36,500 per annum	
24 Remaining Category 1 Leases	- <u>£13,000</u> per annum
Total of 27 Category 1 Leases	- £49,500 per annum
9 Category 2 Leases	- <u>£31,225</u> per annum
Total of 36 Category 1 and Category 2 Leases	- <u>£80,725</u> per annum

The arrangements in relation to Shaftesbury, Grosvenor and Ballymacarrett Recreation Centres are understood to operate in a manner which wraps up the rental payments in a grant funding package which means that the occupiers of these facilities do not actually have to find funds to make rental payments as this is deducted at source from the funding allocated to each group. This arrangement is not applied to the remaining properties.

Recently representations have been received from a number of groups who have highlighted the difficulty in raising finance for the payment of rent to the Council. In response officers have pointed to the established levels of rent and our obligations under the Local Government Act in relation to obtaining 'best price'. However officers recognise that Members may wish to take a broader view particularly in support of organisations whose activities fall within the Council's statutory functions.

Key Issues

- Approximately 36 leases to Community, Sporting and other 'not for profit' organisations across the city with rents totalling approximately £80,000 per annum.
- Representations received from a number of the above groups highlighting the difficulties of raising finance for the payment of rent to the Council.
- Officers wish to seek Members view on a potential review of the current arrangements.

Resource Implications

Financial

None at this stage.

Human Resources

No implications at this time.

Asset and Other Implications

None at this stage.

Recommendations

Committee is recommended to authorise officers on a cross-departmental basis to carry out further investigations into options which may be available to reduce the level of rents payable under some or all of the 36 leases to community/charitable/sporting

organisations and to return to Committee with a further report on the matter in due course.

Decision Tracking

To have a draft policy by September 2009.

Key to Abbreviations

None

Documents Attached

None

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